

Specialized Transportation Aid Eligibility and Funding

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Introduction

There are two sources of state categorical aid available to Wisconsin LEAs for the cost of transporting pupils with individualized education plans (IEPs). A pupil with an IEP can be transported on a regular bus route with their peers and be counted for pupil transportation aid. There is no legal requirement that a pupil must be transported on a separate route simply by virtue of having an IEP—in fact, separating such a pupil could violate their rights under state and federal laws to a free appropriate public education in the least restrictive environment.

For those pupils whose IEPs specify transportation needs, a district may provide specialized transportation and have a portion of those costs included in their overall costs eligible for special education categorical aid. A district may not receive both pupil transportation and special education categorical aids for the same pupil in the same year.

Specialized Transportation Funding

DPI's policy on funding for the transportation of special education students is described in guidance from the Special Education Team, available at <http://sped.dpi.wi.gov/files/sped/pdf/spec-ed-transportation-overview.pdf>. An LEA's excess costs of fulfilling the transportation needs of special education pupils, as prescribed by each pupil's IEP, are eligible for special education categorical aid. As noted in the guidance, those costs may include supplemental aides and services on a routine bus route.

A pupil's IEP may require they be transported on a specialized transportation route. A specialized transportation route is eligible for categorical aid if all the pupils on that route have IEPs requiring the transportation provided by that route. Eligible routes include:

1. Daily transportation to and from school.
2. Transportation for an off-site special education program, support service (e.g. occupational or physical therapy, adaptive physical education) or field trip.
3. Weekend transportation to and from a boarding home or state school.

The specific transportation costs eligible for special education categorical aid are described in "Special Education and School-Age Parents Aid Eligibility," available at http://sfs.dpi.wi.gov/sfs_specedn. Eligible costs should be coded in Fund 27 to the appropriate 256000-series function and are included in the LEA's total costs for which it receives a prorated amount of aid in the following year.

Incidental Benefit

Under strict circumstances, children without disabilities, including students who are homeless, may utilize a specialized transportation route and have the costs of the route remain eligible for special education categorical aid. This is only allowed in situations where the student with a disability has the other student listed in their IEP or the non-disabled student is a member of the same household and is picked up in the same location. In addition, the route must not incur any additional costs for transporting the non-disabled student and the non-disabled student must not displace a child with a disability from the route. DPI will not be providing prior approvals for transporting children without disabilities—the LEA is responsible for maintaining any records to justify the eligibility of a route.

A child without a disability may be placed on a specialized transportation route if required by another rider's IEP (e.g. as a peer mentor). This type of IEP-required placement does not disqualify the route for categorical aid, nor is it subject to the restrictions listed in the previous paragraph.

Transportation Route Examples

The following examples illustrate situations where specialized transportation funding may or may not be appropriate. However, it is ultimately the LEA's responsibility to support its determination that a transportation cost is eligible for special education categorical aid.

Example: A district owns a bus that has a wheelchair lift. This vehicle is used on a route that includes pupils without an IEP as well as one student with an IEP who uses a wheelchair.

- The presence of a wheelchair lift does not in and of itself make the route eligible for special education categorical aid. The district should report the number of pupils transported on the route on its PI-1547 Pupil Transportation Report, including the student with the IEP. The entire cost of the route is coded to Fund 10.

Example: A district operates a route that transports several pupils with IEPs that require specialized transportation, as well as a few other pupils who live along the route.

- A route that can serve students with and without IEPs is not eligible for special education categorical aid. The district should report the number of pupils transported on the route on its PI-1547 Pupil Transportation Report, including the students with IEPs. The entire cost of the route is coded to Fund 10.

Example: A district operates a home-to-school route that transports pupils with and without IEPs. The route drops them all off at the high school, except for one pupil who continues to a neighboring district as required by their IEP.

- The district may break the route into two parts. The home-to-school route would be coded to Fund 10 and all the pupils dropped off at the high school reported on the district's PI-1547 Pupil Transportation Report. Only the portion of the route from the high school to the neighboring district would be eligible for special education categorical aid and coded to Fund 27, project 011; that pupil would not be reported on the PI-1547.

Example: A district contracts with a parent to provide transportation for a pupil who has an IEP requiring specialized transportation.

- The cost of reimbursing the parent is eligible for special education categorical aid.

Example: A rural district has a contracted route serving one pupil as required in their IEP. The route is 40 miles long, round-trip. When it gets back to town, the route passes the home of a pupil living one mile from school, whose parent would like to pay for transportation.

- The district has two choices:
 - It may serve the parent-paid pupil by diverting another route, maintaining the special education categorical aid eligibility of the original route.
 - It may pick up the parent-paid pupil and lose the special education categorical aid eligibility of that route. The district should report both pupils on its PI-1547 Pupil Transportation Report, and the entire cost of the route is coded to Fund 10. It should also be prepared to justify why the district had originally determined the special education pupil's needs were serious enough to warrant a separate route but later backed off that determination by adding another pupil, should the parent of the special education pupil file a complaint with DPI.

Prior Approvals

Prior approval is required for:

- **Purchase or replacement of a vehicle utilized exclusively for specialized transportation.** The LEA should describe the vehicle to be purchased, its estimated or actual price, and the LEA's justification for purchase. It must also certify that the vehicle will be used exclusively for transporting students with IEPs requiring specialized transportation.
- **Purchase or replacement of accessibility equipment to fulfill particular students' IEPs costing \$10,000 or more.**
- **Provision of pupil lodging and meals in lieu of transportation.** The LEA must demonstrate that the needs of a pupil under their IEP will be met through providing room and board, and that it will be at a lower cost than physically transporting the pupil.

The LEA must request prior approval in writing to:

Wisconsin Department of Public Instruction
Division for Learning Support, Equity, and Advocacy
Attn: Special Education Director
PO Box 7841
Madison, WI 53707-7841

Vehicle Purchase Accounting

LEAs may elect to purchase a vehicle outright or under a lease-to-own agreement. The accounting of these purchase methods differs:

- With an outright purchase, the full price of the vehicle is recorded as an expenditure in the year the vehicle is purchased, coded to account 27E-256300-550-011. Depreciation costs are not recognized for special education categorical aid eligibility.
- With a lease-to-own purchase, entries are required in each year of the contract term:
 - In the first year, the full value of the vehicle is recorded twice, first as an expenditure coded to account 27E-256300-550-011, and second as a revenue coded to account 27R-000000-878.
 - In each year of the contract term, including the first, the actual payments of principal and interest are recorded as expenditures coded to accounts 27E-281000-678-019 (principal) and 27E-281000-688-019 (interest).

Vehicle Disposal or Change in Use

If the LEA disposes of a vehicle that was purchased in full or part with state special education categorical aid, or wishes to use it for non-special education purposes, it must decrease its aid-eligible transportation costs for the fiscal year in which the vehicle was disposed. The amount of that decrease is determined in one of the following ways:

- If the vehicle is sold, the sale price is used.
- If the vehicle is traded in for a new special education vehicle being purchased with prior approval, no decrease is required.
- If the vehicle is traded in for any other vehicle, the trade-in allowance stated in the purchase contract is used.
- If the vehicle is to be used for non-special education purposes, the fair market value is used.

That amount of transportation costs should be coded to project 019. If the amount exceeds the LEA's total transportation costs, contact the School Financial Services consultant.

Further Information

If you have questions about specialized transportation and state special education categorical aid, contact the consultant on the DPI School Financial Services Team:

Daniel Bush
daniel.bush@dpi.wi.gov
608-267-9212

General questions about transporting special education students should go to your LEA's consultant on the DPI Special Education Team. A list of consultants is available at:

http://sped.dpi.wi.gov/sped_sepcontact

More information on special education categorical aid is available on the DPI School Financial Services website:

http://sfs.dpi.wi.gov/sfs_speced